EDUCATION & TRAINING • FIRE INVESTIGATIONS • EMERGENCY SERVICES • CODES & STANDARDS • ADMINISTRATION

OFFICE *of the* FIRE COMMISSIONER

1999/2000 ANNUAL REPORT

Manitoba
Labour

101-01627/

Minister of Labour

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter Liba
Lieutenant Governor of Manitoba
Room 253 Legislative Building
Winnipeg MB R3C 0V8

May it Please Your Honour,

I have the privilege of presenting the fourth Annual Report of the Office of the Fire Commissioner for the fiscal year ended March 31, 2000.

Yours truly,

Becky Barrett

BECKY BARRETT
Minister

LETTER FROM THE DEPUTY MINISTER OF LABOUR

Manitoba

Deputy Minister of Labour

Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Becky Barrett
Minister of Labour
Room 156 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister,

I am pleased to submit for your consideration, the fourth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2000.

After operating as a Special Operating Agency (SOA) for four years, the Office has progressed from operating at a loss in excess of $300,000 in its inception year to a small loss in the current year despite stagnant levy revenue. The Office is proud of its contribution to life safety in Manitoba.

The Board and Management continue their commitment to finding new methods of increasing revenues, reducing costs and improving the quality of services provided to Manitobans.

Yours truly,

TOM FARRELL
Deputy Minister and Chairperson of the OFC SOA Advisory Board

Manitoba

Labour

Office of the
Fire Commissioner

Room 508
Norquay Building
401 York Avenue
Winnipeg MB R3C 0P8
CANADA

(204) 945-3322

Tom Farrell
Deputy Minister of Labour
Room 160 Legislative Building
Winnipeg MB R3C 0V8

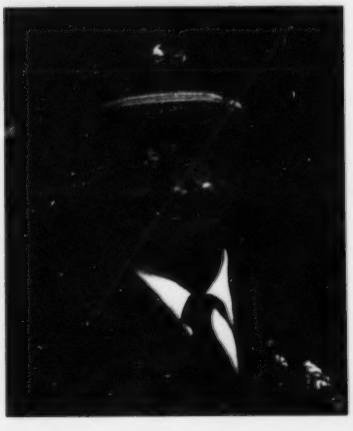
Dear Chairperson,

I am pleased to submit for your review, the fourth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2000.

Highlights of the year:

- revenues increased 7.8% despite flat year-over-year levy revenue;
- tuition and contract revenues increased 48% primarily as a result of increased pre-employment enrollment and emergency medical training revenues;
- non-levy revenues represented 43% of revenues, up from 21% in the first year as a SOA, allowing the Office to reduce its reliance on the insurance levy;
- training was provided to over 3,000 students;
- during the year our Codes and Standards section inspected well over 2,000 buildings under construction;
- our Emergency Services section inspected almost 300 day-care facilities in Winnipeg;
- fire investigators investigated over 400 fires in 1999; and
- the Office participated in 14 emergency responses and seven search and rescues.

The ability of the Office to continue providing these services in the future is dependent upon a resumption in the historical growth of levy revenues and the continuation of strong permit revenue.



Yours truly,

DOUG POPOWICH
Fire Commissioner

Special Operating Agency Advisory Board

The role of the Advisory Board is to provide advice on the Office's strategic operations and on changes to its mandate, structure, business practices and finances. The Advisory Board reviews and comments on the Office's proposed business plans, quarterly and annual reports.

The Advisory Board consists of the following individuals:

Chair

Tom Farrell
Ex Officio
Deputy Minister
Manitoba Labour

Members

Fred Beckwith
Private Sector Representative
Internal Audit
Great-West Life

Kevin Briscoe
Client Representative
Halifax Insurance

Wayne Christie
Client Representative
Manitoba Association of
Fire Chiefs

Doug Dobrowski
Association of Manitoba
Municipalities
Councillor, RM of Macdonald

Ted Moore
Agency Staff Representative
Emergency Services Officer
Office of the Fire
Commissioner

Doug Popowich
Ex Officio
Fire Commissioner
Office of the Fire
Commissioner

Wes Shoemaker
Client Representative
Fire Chief
Winnipeg Fire Department

Agency Profile

Historical Perspective

The Fires Prevention Act was originally created in 1872 for the prevention of prairie fires and included the authority to conduct fire investigations. In 1885, the Fires Prevention Act was amended to include fire protection of wooded lands. In 1876, the first Fire Commissioner was appointed.

In 1940 the Act was separated into two parts. Part I dealt with forest fires and Part II outlined the responsibilities of the Fire Commissioner in the area of fire prevention. Training of fire fighters became a responsibility in the early 1960s. Part I was later replaced with The Wildfires Act.

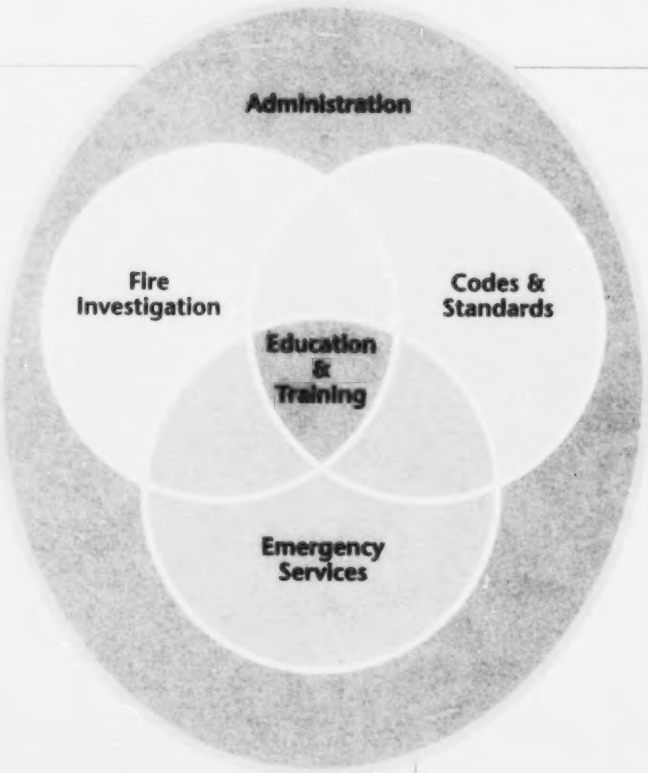
The forerunner of the Buildings and Mobile Homes Act was the Manitoba Public Buildings Safe Egress Act of 1877. This was followed by the Manitoba Public Building Act in 1884. The focus of both these Acts was safe public assembly buildings and means of egress. Due to the proliferation of building codes and standards within the province, the Manitoba Government introduced the Manitoba Buildings and Mobile Homes Act in 1974. This present Act came into full force on April 1, 1977.

Our Mission

To safeguard both persons and property from fire and life safety hazards through education, investigations, emergency response and code application.

Our Values

- We believe that people have the right to live in safe communities.
- We believe in providing the best possible programs and services to our clients.
- We believe in being responsible for our organization and being fair, effective and efficient in our organization.
- We believe in the loyalty of our people and value their continued development.



Organizational Services

The Office provides a wide spectrum of mandated services and related activities. No one service area of the Office stands alone. They are all fundamentally interrelated with the Education and Training area being the unifying and defining component.

These services break down into five broad categories:

Fire Investigations
Includes determining the origin and cause of all fires referred to the Office.

Education and Training
Includes the provision of comprehensive emergency services training by the Emergency Services College or by our community-based trainers. The Public Education unit provides services to the general public.

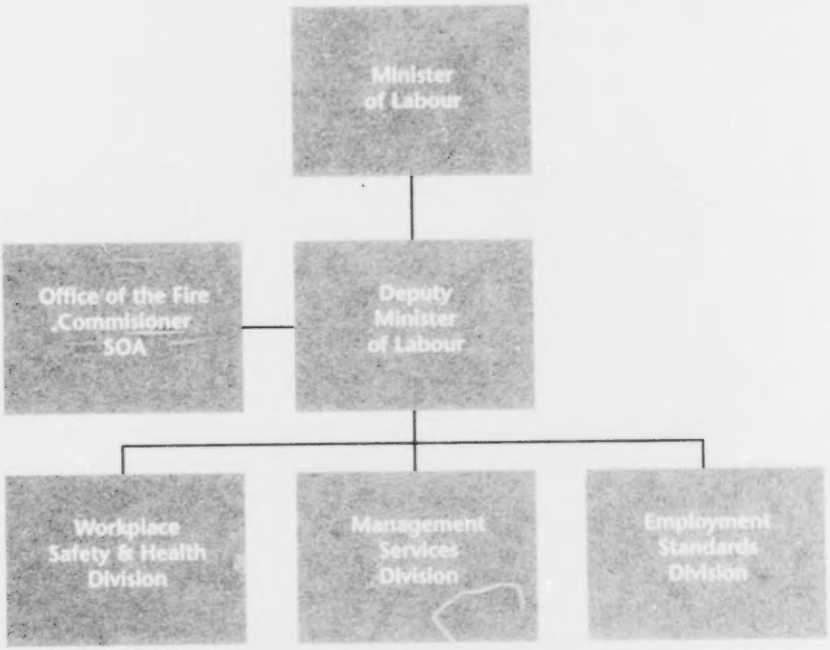
Emergency Services
Includes consultative services to municipal fire services and councils, response and co-ordination of response to emergency situations and maintenance of the province-wide Mutual Aid System and fire inspection services.

Codes and Standards
Includes building plan review, code enforcement, permits and fees, consultative services and production of the Manitoba Building, Fire and Plumbing Codes.

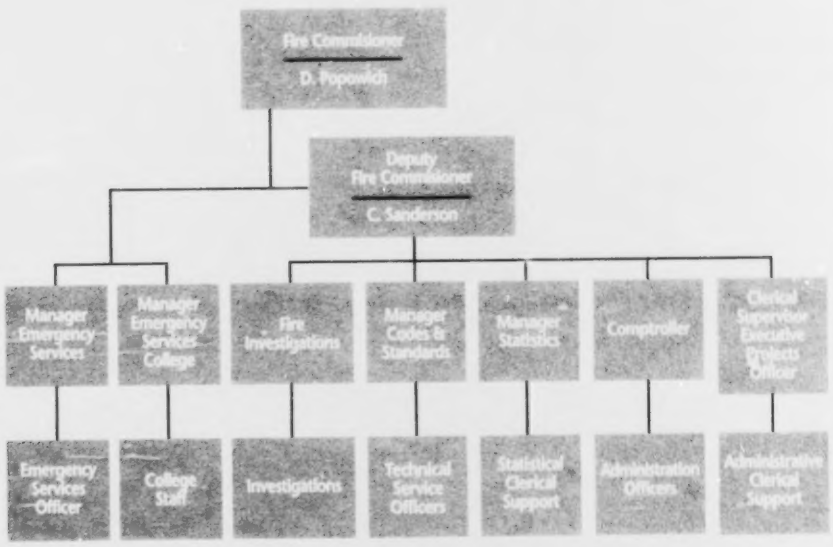
Administration
Support services are provided by administrative staff located in Winnipeg and Brandon. Support services include clerical, college records management, statistical analysis, financial reporting and management direction from the Deputy Fire Commissioner.

Organization Structure

Manitoba Labour


Minister of Labour
Office of the Fire Commissioner SOA
Deputy Minister of Labour
Workplace Safety & Health Division
Management Services Division
Employment Standards Division

Office of the Fire Commisioner



The SOA is contained within Manitoba Labour and reports directly to the Deputy Minister of Labour.

The Office maintains a relatively flat organizational structure. All managers report to either the Fire Commissioner or the Deputy Fire Commissioner. Managers are responsible for managing all aspects of their assigned program area. The emergency services officers and technical service officers report to their respective managers who, in turn, will co-ordinate the sharing of officers between our programs.

The Deputy Fire Commissioner provides direct supervision to the fire investigators, codes staff and the administrative and financial operations of the branch, as well as overall authority in the absence of the Fire Commissioner. The Fire Commissioner reports to the Deputy Minister of Labour.

Our organization has offices in Beausejour, Brandon (Manitoba Emergency Services College), Thompson and Winnipeg. In addition, the Office maintains a facility in Thompson. The Office has eliminated five regional offices as part of our cost-control efforts.

FIRE STATISTICS

THE NUMBER OF FIRES IN MANITOBA:

Number of Fires per 100,000 population

	[illegible]	[illegible]	[illegible]
Manitoba	456	439	451
Canada	N/A	183	197

THE COST OF FIRES TO MANITOBANS:

Property Loss Per Capita

	[illegible]	[illegible]	[illegible]
Manitoba	$56.60	$59.57	$60.87
Canada	N/A	$41.79	$38.04

Fires in Manitoba resulted in nearly $65 million of property damages in 1998.

Injury Rates Per 100,000

	[illegible]	[illegible]	[illegible]
Manitoba	21.59	21.88	20.20
Canada	N/A	10.18	10.30

Death Rate Per 100,000

	[illegible]	[illegible]	[illegible]
Manitoba	1.66	2.10	1.83
Canada	N/A	1.35	1.22

In 1998, 19 people (14 adults and 5 children) perished as a result of fires in Manitoba.

Eighty-four per cent (84%) of the fires causing these fatalities occurred in the home.

While the cost of fires in terms of injury, death and property loss is high, it must be compared to the costs saved in lives and property as a result of the efforts of the Manitoba Fire Service. In 1998, $1.9 billion in property was saved as a result of the containment and suppression of fires. In addition, the Manitoba Fire Service assisted in the evacuation of over 1,000 persons from burning structures.

Provincial Fire Statistics

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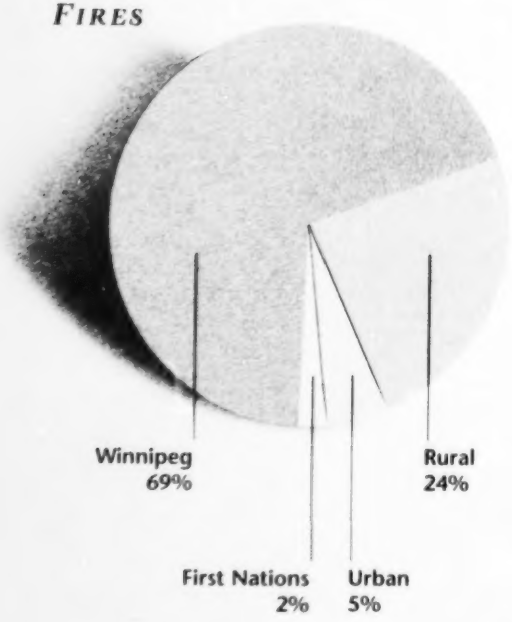
The Location of Fires in Manitoba:

Distribution of Fires

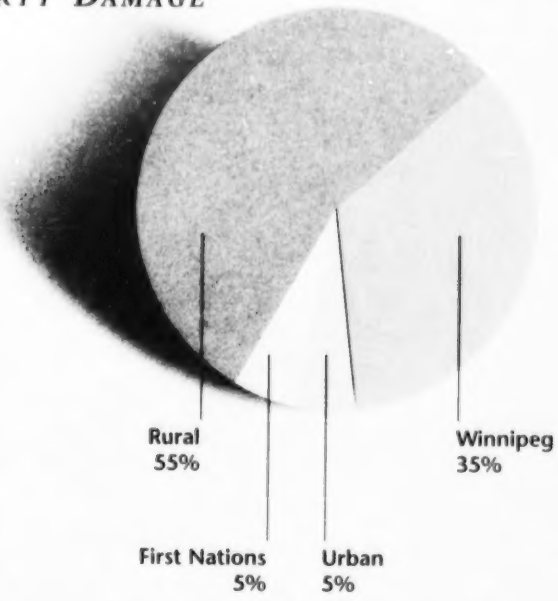
	1998	1997	1996
Manitoba (Excluding Winnipeg)	1,757	1,563	1,671
Winnipeg	3,902	3,455	3,493

In 1998, 1,919 or 48% of Winnipeg's fires involved outdoor property, primarily garbage fires. Of these outdoor property fires in Winnipeg in 1998, 1,198 were intentionally set or of a suspicious nature.

Fires



Property Damage



The Causes of Fires in Manitoba - 1998

In 1998 there were 5,659 fires that caused $64,753,668 in damages. The table below depicts the percentage of fires and damages caused by accident, arson and suspicious or where there was no cause determined.

Causes of Fires

	FIRES	PROPERTY DAMAGE
Accidental	43%	42%
Arson/Suspicious	36%	37%
Undetermined	21%.	21%

Arson Fires

	1998	1997	1996
Manitoba	1,646	1,556	1,559
Canada	N/A	9,565	11,999

While Winnipeg accounts for a disproportionate share of the number of fires in Manitoba, it only accounts for 35% of the actual property damage. The largest dollar value of property loss in rural Manitoba in 1998 relates to farm facilities. There are two predominant factors influencing these losses. One is increased emergency response time due to the geographic distances traveled by emergency responders. The other is the fact that farm buildings in Manitoba are not mandated to comply with the standards set out in the National Farm Building Code. With the increase in hog and other large farm operations, farm buildings are getting larger as are the subsequent losses.

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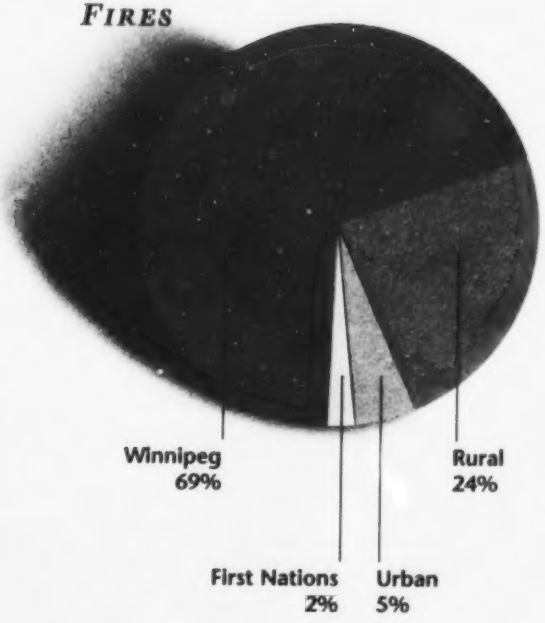
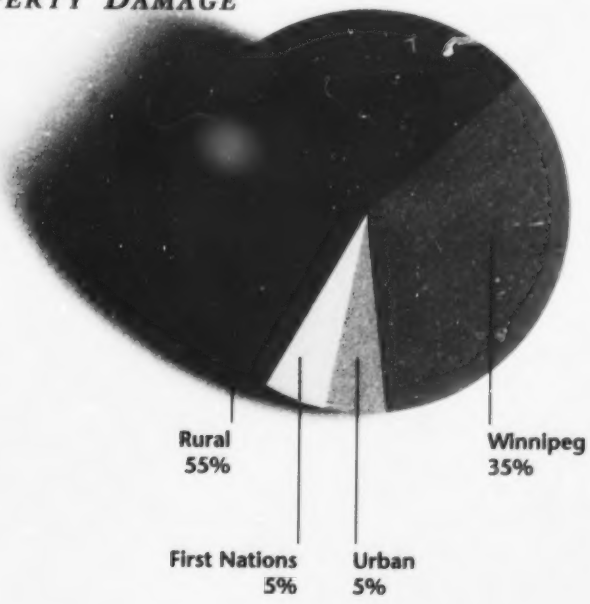
Fires



Property Damage



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Key Continuous Improvement Objectives

3.1

To continue to build on our multi-year marketing plan.

The Office generated over $780,000 of tuition and contract revenue in the year ended March 31, 2000 versus $532,000 in the year ended March 31, 1999. In comparison, tuition and contract for the first full fiscal year as an SOA was $165,000. The growth reflects an increase in the number of pre-employment students, a significant increase in fees related to medical training and an overall increase in other general contract revenues.

Interest from industry and other jurisdictions continues to grow. The ability to deliver services is contingent upon available resources.

Market studies of potential positions in Career Fire Departments indicate a higher number of vacancies than current graduation levels can meet. Targeted marketing will occur in the next year to attract more candidates that are of a visible minority.

3.2

To redefine and redirect the role of Emergency Services Officers and Technical Service Officers into areas of prevention activities.

The fire service in North America has traditionally been reactive. It responds to emergency situations as they arise with less emphasis on prevention.

The Office wants to help ensure that the Manitoba Fire Service places an emphasis on prevention and education in an effort to minimize the number of life and property threatening incidents that occur.

To this end, the Office has developed a Five Step Action Plan for the municipal fire service. The Office will work with Manitoba's fire departments to help implement the program. The five steps are as follows:

- developing a public education program;
- developing a fire prevention program;
- developing an incident management system;
- developing standard operating guidelines; and
- developing a training plan.

As part of our performance measures, the Office will report the extent to which these objectives have been met. In future years we hope to see property losses, injuries and deaths decline.

3.3

To continue to increase the number of internationally accredited programs offered by the Manitoba Emergency Services College.

The National Fire Protection Association (NFPA) sets standards that must be met before a course is accredited. The International Fire Service Accreditation Congress (IFSAC), based on its evalua-

tion process, provides accreditation of courses that meet the established standards.

At year-end, 15 courses had been accredited. An additional four courses have been accredited since year end.

3.4

To continue to consolidate and formalize the relationship between our SOA and the need for training the City of Winnipeg Fire Department.

The City of Winnipeg has traditionally hired untrained recruits, provided free training and paid the recruits a salary during the training period. The City of Winnipeg Fire Department has committed to the hiring of new recruits that have graduated from a recognized college with a level II fire fighting certificate. Under this arrangement, recruits would pay for their education and then seek employment upon graduation.

The Office has met with the Chief of the Winnipeg Fire Department. The Office agreed that the City could determine its own student screening process for the pre-employment program. In addition, the Office has offered to assist the City in updating other training programs to meet NFPA standards and allow IFSAC accreditation.

3.5

To continue to implement and monitor the Human Resource Development Plan and budget the associated training dollars tied to it.

Managers reviewed the work requirements of a variety of job classes and determined the skills needed to meet those work requirements. Self-assessment documents were developed. Staff used these documents to assess the set of skills needed to perform their duties and their current skill levels. This enabled staff to identify gaps between actual and required skills. Upon completion of the assessments, staff and managers met in an effort to come to a consensus regarding areas requiring development and to prepare a training plan to address staff development needs. At the same time, the Office is participating in a Manitoba Labour staff development initiative that may augment this process.

Funds are budgeted each year for professional development in order to allow staff to receive the required training.

3.6

To maintain a $4.0 million balance in the Fire Prevention Fund.

Cash and investments, excluding pension assets, continue to exceed the $4 million target. Based on our current projections, we anticipate this goal will continue to be met.

3.7

To examine the current Fire Prevention Levy rate in relation to the cost of services to traditional clients and to bring forward recommendations on the fund levy and applicable rate.

The Fires Prevention Act allows for a charge, not to exceed 2%, on the value of premiums and assessments with respect to property insurance. The levy was reduced gradually from 2% to the current rate of 1.25% over a period of three years. Setting the rate has been a challenge in the past, since the Office has not been able to produce the financial information required to determine the cost of current service levels provided to Manitoba's municipalities and unincorporated districts. The decision to reduce the levy rate to 1.25% was based on

inadequate information and forecasting. The positive cash position of the Fires Prevention Fund masked the fact that at a levy rate of 1.25% the Fund would become depleted. Since becoming an SOA, cost-cutting and revenue-enhancing activities have reduced losses and resulted in a stabilization of the Fund. Based on current financial information, it is clear that the 2% rate was excessive and resulted in a substantial growth of the Fund. However, it is also now clear that a rate of 1.25% will not support the current level of service unless our efforts to grow revenues succeed. Levy revenues failed to grow in the current year due to increased competitive pressures on insurance rates. A further factor that will have a bearing on the rate is the need for emergency-response training in First Nation communities. The Office has not traditionally provided support to these communities. In the event that we proceed to provide these services to First Nations, increased resources will be required.

The Office is committed to achieving a balanced budget, but without a rate increase, services will have to be reduced.

3.8

To eliminate the accumulated deficit via future operating surpluses.

Based on current projections, this goal will not be achieved in the immediate future. The Office relies heavily on cyclical permit revenues. The current financial projections assume that these revenues will remain relatively strong by historic standards. In the event that these revenues deteriorate, the accumulated deficit would increase. Levy revenues remained flat in 1999/2000. If this revenue source fails to grow at the rate of inflation, reducing the accumulated deficit will be increasingly challenging. Any requirements to pay dividends will increase the deficit and reduce future investment income.

3.9

To continue to upgrade and implement the information technology plan in order to meet our projected goals and objectives.

The Office has a number of ongoing information technology initiatives. The Office worked with a consulting firm to produce a detailed user-needs document that formed the basis for writing new student records management software. The software has been written, tested and placed into live production after a data conversion. The legacy system was not year 2000 compliant.

The fire reporting system operated by this Office was run on ISM's mainframe. The Office acquired a new fire reporting software that will run locally. Migration from ISM has eliminated significant mainframe charges. The new fire reporting software will also allow fire incident reports to be electronically submitted by fire departments, thus reducing data entry costs. The detailed statistics captured on fires help identify where public education should be directed, the need for revisions to building codes and the type of emergency response capabilities needed in different geographic areas. The new system allows for the capture of information on the value of property saved and the presence and performance of detection systems.

Three new modules have been added to the financial accounting package; these are accounts receivable, invoicing and project costing.

The Office is having a permit tracking database software written for use by the Codes & Standards section. The software will greatly improve management information and financial controls. Implementation is expected in February.

MEASURES

INVESTIGATIONS DEPARTMENT:

Staff of either municipal fire departments or the Office of the Fire Commissioner, in co-operation with police authorities and the insurance industry, conduct fire investigations. Clients call upon the services of our fire investigators under certain circumstances, such as fatalities, serious injuries, explosions, fires (where cause cannot be determined), structure fires (where origin or cause cannot be determined), and any fire resulting in a major loss to the community.

The Office would like to see the number of investigations decline. This would reduce operating costs by reducing the amounts of overtime paid to investigators. The key to achieving this goal is to continue training municipal fire fighters to carry out as much of the investigative work as possible. This would allow our investigators to deal with only the most critical investigations.

The investigation work done by the Office contributes to the laying of criminal charges and conviction of criminals. No specific targets are set in these areas, as the number of charges and convictions will fluctuate with the number of arson incidents. In addition, decisions made and actions taken by police and prosecutors will influence the numbers of charges and convictions.

Where arson is the cause of a fire, there can be savings to the insurance industry in addition to prosecution, through reduced payouts. Investigative work also identifies how a structure performed during a fire, which provides valuable evidence as to the adequacy of existing building codes. The knowledge gained is used to provide input into the standard-setting process.

	2000	1999	1998
◆ Percentage of fires for which a cause was determined	80%	77%	77%
TARGET	75%	75%	75%
◆ Number of charges laid*	75	62	46

* Charges laid and convictions are reported based upon the year in which the fire occurs. Numerous cases are pending before the courts re: 1998 and 1999 calendar year fires.

PERFORMANCE MEASURES

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	2000	1999	1998
◆ Number of investigations conducted	425	379	355
◆ Percentage of fires for which a cause was determined	80%	77%	77%
TARGET	75%	75%	75%
◆ Average cost per investigation	$1,235	$1,093	$1,375
◆ Number of charges laid*	75	62	46
◆ Number of convictions*	6	13	19

* Charges laid and convictions are reported based upon the year in which the charges are laid. Numerous cases are pending before the courts re: 1998 and 1999 calendar year fires.

Manitoba Emergency Services College:

The College provides training in a variety of program areas including: Fire Fighting Practices, Fire Service Instructor, Public Safety, Rescue, Hazardous Materials, Driver/Operator, Institutional Fire Protection, Fire Officer, Fire Investigation Program, Building Standards and Fire Prevention.

The large number of graduates from a variety of College courses help ensure that the Province maintains a network of trained emergency response personnel available to serve the public. In addition to providing free training to our traditional Manitoba client, the College has been seeking new fee-paying clients. To assist with this, we have developed a marketing plan with the aid of a consulting firm.

Emergency Services:

The fire service in North America has traditionally been reactive. It responds to emergency situations as they arise with less emphasis on prevention.

The Office wants to help ensure that the Manitoba Fire Service places an emphasis on prevention and education in an effort to minimize the number of life and property-threatening incidents that occur.

To this end, the Office has developed a Five-Step Action Plan for the municipal fire service. The five steps are identified below. The office will work with Manitoba's fire departments to help implement the program.

	2000	1999	1998
◆ Number of students trained	3096	3,117	3,079
◆ Number of contracts signed	23	31	20
◆ Number of municipal fire fighters receiving level 1 certification	188	73	190
◆ Number of school divisions with the Learn Not to Burn curriculum implemented TARGET (remaining 8 divisions fall under the Winnipeg Emergency Response Services Department	46 54 (100%)	45	34
◆ Number of Critical incident stress management responses	24	24	47

	2000	1999	1998
◆ public education program	81%	81%	75%
◆ fire prevention program	52%	51%	42%
◆ written incident management system	39%	43%	36%
◆ standard operating guidelines	54%	56%	49%
◆ training plan	78%	78%	74%

Results may fluctuate as a result of fire departments that are reviewing current systems.

	2000	1999	1998
◆ Number of emergency responses provided by the office	17	7	1.3

Building Inspector Courses

	2000	1999	1998
◆ Number of inspections	2,368	1,532	1,475
◆ Percentage of municipalities taken over administration and enforcement of the Manitoba Building Code			
Part 3	13%	13%	13%
Part 9	100%	100%	69%
◆ Percentage of municipalities with by-laws in place for:			
Part 3	13%	13%	13%
Part 9	89%	74%	69%
◆ Percentage of municipalities with trained, qualified officers that work for the Planning District:			
Part 3	1%	1%	1%
Part 9	75%	74%	64%

Codes and Standards

The Codes & Standards department plays an important role in public safety. By reviewing building plans, inspecting buildings and providing consultative services to the public, the staff helps ensure that buildings meet national building codes and do not present a serious threat to public safety. The goal of this section is to reduce injuries, deaths and property losses arising from sub-standard construction. Unfortunately, we cannot readily quantify these public benefits.

Our point-of-sale software was to be upgraded to the latest year 2000 compliant version.

No further major technology changes are anticipated.

3.10

To add related emergency services programs to the Emergency Services College to enhance its position as the primary emergency services training facility in Manitoba.

This goal has been achieved with the transfer of emergency medical response training from Manitoba Health to the College. Furthermore, consolidating training previously handled by Manitoba Health, with the training done by the Office, will result in synergies and cost savings.

The Office developed an Aircraft Crash and Rescue program and Confined Space Rescue program. In addition, a certified Building Inspector program received approval from the Association of Manitoba Municipalities.

3.11

To develop partnership/s with post-secondary educational institutions with a view to developing a degree program in Emergency Services Management and/or a building inspector technology program.

Our Office has commenced discussions with the University of Brandon on the development of a degree program in Emergency Services Management. These talks are in their preliminary stages.

The Office, in conjunction with the Association of Manitoba Municipalities and the Manitoba Building Officials Association, has developed a certified educational program for building officials, which the College will teach. The three-level program is designed to ensure that individuals have the opportunity to receive the training needed to fulfill their responsibilities.

3.12

To continue to improve arson conviction rates by creating a close working relationship between the Office, the Fire Service, the insurance industry and police agencies.

This process is ongoing. The Office endeavours to provide the support needed to allow the laying of criminal charges in arson cases and to ensure conviction.

The Office has worked with Crime Stoppers to develop arson awareness brochures, posters and television ads, which emphasize that arson is a crime that has a cost for all Manitobans. The television ads ask viewers to call in tips related to specific fires intentionally set.

Co-operative efforts involving the City of Winnipeg Police Service, the Winnipeg Fire Department and our Office has led to over 100 arrests related to the rash of much-discussed arsons in Winnipeg. The Office continues to contribute investigation services to the arson strike force.

3.13

To develop an action plan to prepare municipalities to administer and enforce the Manitoba Building Code in their respective jurisdictions in the areas for which they are responsible.

Municipalities are responsible for the enforcement of Part 9 of the Manitoba Building Code. To assist in this transition, the Office, in conjunction with the Association of Manitoba Municipalities, has developed a model by-law that can be adopted by municipalities. In addition, as discussed in 3.12 above, a certified educational program is being developed for building officials to ensure municipalities can access education programs for their building officials. Over 30 municipalities have contracted our Office to provide Part 9 building inspection services. ◆

Manitoba Emergency Services College:

The College provides training in a variety of program areas including: Fire Fighting Practices, Fire Service Instructor, Public Safety, Rescue, Hazardous Materials, Driver/Operator, Institutional Fire Protection, Fire Officer, Fire Investigation Program, Building Standards and Fire Prevention.

The large number of graduates from a variety of College courses help ensure that the Province maintains a network of trained emergency response personnel available to serve the public. In addition to providing free training to our traditional Manitoba client, the College has been seeking new fee-paying clients. To assist with this, we have developed a marketing plan with the aid of a consulting firm.

Emergency Services:

The fire service in North America has traditionally been reactive. It responds to emergency situations as they arise with less emphasis on prevention.

The Office wants to help ensure that the Manitoba Fire Service places an emphasis on prevention and education in an effort to minimize the number of life and property-threatening incidents that occur.

To this end, the Office has developed a Five-Step Action Plan for the municipal fire service. The five steps are identified below. The office will work with Manitoba's fire departments to help implement the program.

	2000	1999	1998
◆ Number of contracts signed	23	31	20
◆ Number of school divisions with the Learn Not to Burn curriculum implemented TARGET (remaining 8 divisions fall under the Winnipeg Emergency Response Services Department	46 54 (100%)	45	34

	2000	1999	1998
◆ fire prevention program	52%	51%	42%
◆ standard operating guidelines	54%	56%	49%

Results may fluctuate as a result of fire departments that are reviewing current systems.

	2000	1999	1998

	2000	1999	1998
◆ Number of Inspections	[illegible]	[illegible]	[illegible]
◆ Percentage of municipalities taken over administration and enforcement of the Manitoba Building Code			
Part 3	13%	13%	13%
Part 9	100%	100%	69%
◆ Percentage of municipalities with bylaws in place for:			
Part 3	[illegible]	[illegible]	[illegible]
Part 9	[illegible]	[illegible]	[illegible]
◆ Percentage of municipalities with trained, qualified officers that work for the Planning District:			
Part 3	1%	1%	1%
Part 9	75%	74%	64%

Codes and Standards:

The Codes & Standards department plays an important role in public safety. By reviewing building plans, inspecting buildings and providing consultative services to the public, the staff helps ensure that buildings meet national building codes and do not present a serious threat to public safety. The goal of this section is to reduce injuries, deaths and property losses arising from sub-standard construction. Unfortunately, we cannot readily quantify these public benefits. ◆

Financial Discussion and Analysis

The Office ended the year with a small loss of $58,670. Revenue for the year grew 8% despite the fact that levy revenue was flat during the year. Historically, levy revenue has grown at a rate in excess of general inflation. Due to increased insurance price competition, this trend did not hold in 1999/2000. During the year, levy revenue represented 57% of total revenue versus 79% in our first year as an SOA. Tuition and contract revenue has increased 349% since the first year of operations as an SOA. The Office largely provides training to Manitoba clients free of charge, with costs being covered by the insurance levy. Our ability to maintain the current levels of service depends upon permit revenues remaining strong and a reversal of the insurance price competition, which is adversely affecting levy revenues.

Revenue Variance Analysis:

Levy revenue was $132,000 under budget. A 2% increase had been forecasted, but did not materialize, due to increased insurance price competition. We do not anticipate an imminent reversal of these competitive conditions.

Permit revenue was up marginally over last year, but is still well ahead of budget. The strength of this revenue source reflects the l large amount of construction activity in the province. The last two fiscal years have seen very strong revenue inflows from this source. Due to the cyclical nature of this revenue source, permit revenues in future years may be materially different from the current year's results. Rising interest rates, in particular, may adversely impact permit revenues.

Tuition and contract revenues have grown 48% primarily as a result of: an increase in the number of pre-employment students from 24 to 36; and an increase in the revenue related to emergency medical training. The Office's primary clientele is the Manitoba Emergency Services community, which largely training at no charge.

Inspection revenue relates to the provision of day-care inspection services to Manitoba Family Services. This was a one-time contract.

The Manitoba Emergency Services Conference saw strong revenue growth primarily as a result of a fee increase and increased attendance.

Expense Variance Analysis:

Salary costs have risen as a result of: the general pay increase April 1, 1999; the elimination of reduced work week days; salary increments; increased overtime related to the arson task force and Pan Am Games; and an incremental building inspector and fire investigator.

Amortization costs rose due to the replacement of the obsolete 1971 international pumper.

Travel costs rose primarily due to increased service demands from the Manitoba Fire Service and other clients.

Repair and maintenance costs rose due to costs associated with maintaining equipment owned and operated by the Office and used for training and emergency response.

Rent costs rose as a result of holding the Manitoba Emergency Services Conference in the Keystone Centre as opposed to the College.

Desktop costs rose primarily because there was no provision for computer rental costs in the prior year. The office does not negotiate rates paid for desktop management services.

Supply costs increased primarily as a result of incremental course offerings.

Train Derailment

MANAGEMENT'S REPORT

For the year ended March 31, 2000:

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with generally accepted accounting principles. In the management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 31, 2000.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the Auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

DOUGLAS POPOWICH
Fire Commissioner

KEN NERO
Comptroller

[redacted]

DFK INTERNATIONAL

AUDITORS' REPORT

TO THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY OFFICE OF THE FIRE COMMISSIONER

We have audited the balance sheet of the Office of the Fire Commissioner, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2000, and the statements of earnings, capital and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2000 and the results of its operations and the cash flows for the year then ended in accordance with generally accepted accounting principles.

The budget information contained in these financial statements is provided as additional information and has not been compiled or examined by us. Accordingly, we do not express an opinion or any form of assurance on them. The summaries of significant assumptions and accounting policies for presentation of prospective financial statements have not been included in these financial statements. If the omitted summaries were included in the budgeted information, they might influence the users' conclusions about the Agency's budgeted information. Accordingly, the budgeted information is not designed for those who are not informed about such matters.

Winnipeg, Manitoba
May 10, 2000

Hutchings May & Co.
Chartered Accountants

WINNIPEG 50 Stafford Street Winnipeg, Manitoba, Canada R3M 2V7 Tel. 204-284-7957 Fax 204-453-1243
Internet: http://www.hutchingsmay.com E mail: confidential@hutchingsmay.com

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
BALANCE SHEET

As at March 31, 2000, with comparative figures for 1999

	2000	1999
ASSETS		
Current assets		
Cash	$ 30,745	$ 1,612
Short term investments (note 3)	2,780,030	3,514,610
Accounts receivable (note 4)	1,589,354	711,402
Accrued interest	12,315	13,625
Inventory	35,132	46,283
Prepaid expenses	30,330	26,280
	4,477,906	4,313,812
Long term investments (note 5)	1,500,000	1,500,000
Pension assets (note 6)	452,908	349,707
Capital assets (note 7)	6,084,333	6,027,862
	$ 12,515,147	$ 12,191,381
LIABILITIES AND CAPITAL		
Current liabilities		
Accounts payable	$ 398,765	$ 181,500
Accrued liabilities	340,550	290,284
Deferred revenue	21,930	75,823
	761,245	547,607
Severance pay benefits (note 8)	310,229	286,528
Employee pension liability (note 9)	461,829	316,728
	1,533,303	1,150,863
Capital (note 10)	10,981,844	11,040,518
Commitments and contingencies (note 11)		
Public sector compensation (note 13)		
	$ 12,515,147	$ 12,191,381

See accompanying notes to financial statements.

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
STATEMENT OF EARNINGS

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999	Variance	Budget	Budget Variance
REVENUES					
Levy	$ 3,129,984	$ 3,126,395	$ 3,589	$ 3,262,590	$ (132,606)
Permits and plan review	1,161,251	1,148,298	12,953	735,775	425,476
Tuition and contract revenue	787,670	531,734	255,936	708,428	79,242
Interest	215,250	206,953	8,297	191,400	23,850
Inspections	43,500	-	43,500	-	43,500
Conference	89,684	59,243	30,441	51,000	38,684
Nero & Ashcan sales	68	1,443	(1,375)	-	68
Book sales	2,392	647	1,745	2,040	352
Rent	3,440	5,432	(1,992)	2,040	1,400
Other revenue	64,310	19,744	44,566	6,936	57,374
	$ 5,497,549	$ 5,099,889	$ 397,660	$ 4,960,209	$ 537,340

See accompanying notes to financial statements.

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
STATEMENT OF EARNINGS (continued)

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999	Variance	Budget	Budget Variance
EXPENSES					
Salaries and benefits	$ 2,664,954	$ 2,426,449	$ 238,505	$ 2,522,570	$ (142,384)
Amortization	489,766	398,361	91,405	427,816	(62,150)
Vehicle	251,022	234,144	16,878	243,720	(7,302)
Travel	299,302	232,756	66,546	249,630	(49,672)
Repairs and maintenance	252,032	174,225	77,807	219,695	(32,337)
Phone	139,611	159,141	(19,530)	155,417	15,806
Mutual aid	124,593	125,100	(507)	183,660	59,067
Rent	132,938	110,335	22,603	116,947	(15,991)
Desk top management	169,196	86,649	82,547	170,584	1,388
Grant in lieu of taxes	92,750	98,902	(6,152)	100,883	8,133
Labour services	81,000	90,000	(9,000)	52,480	(28,520)
Supplies	227,009	185,120	41,889	147,724	(79,285)
Public education material	83,239	63,124	20,115	61,201	(22,038)
Marketing	30,685	35,095	(4,410)	35,190	4,505
Utilities	52,414	58,070	(5,656)	48,960	(3,454)
Insurance	56,877	48,134	8,743	34,475	(22,402)
Professional services	171,135	168,303	2,832	171,118	(17)
Postal and courier	41,003	30,557	10,446	26,622	(14,381)
Professional development	13,143	17,955	(4,812)	20,400	7,257
Land lease	10,000	10,000	-	10,000	-
Publications	24,576	26,160	(1,584)	18,227	(6,349)
Building Standards Board	-	395	(395)	3,060	3,060
SOA Board	391	396	(5)	1,481	1,090
Grant	25,000	250,000	(225,000)	-	(25,000)
Other	123,586	115,640	7,946	98,940	(24,646)
	5,556,222	5,145,011	411,211	5,120,800	(435,622)
Net earnings (loss) from operations	$ (58,673)	$ (45,122)	$ (13,551)	$ (160,391)	$ 101,718

See accompanying notes to financial statements.

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
STATEMENT OF CAPITAL

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Contributed capital	$ 11,279,317	$ 11,279,317
Retained earnings (deficit), beginning of year	(238,800)	(193,677)
Net earnings (loss) from operations	(58,673)	(45,122)
Capital, end of year	$ 10,981,844	$ 11,040,518

See accompanying notes to financial statements.

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
STATEMENT OF CASH FLOWS

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Operating activities		
Net earnings (loss) for the year	$ (58,673)	$ (45,122)
Amortization, pension, and severance expense	658,568	516,357
Net change in non-cash working capital balances	(655,904)	423,065
Cash generated from (used in) operations	(56,009)	894,300
Investing activities		
Capital asset additions	(546,237)	(263,427)
Financing activities		
Funds transferred to pension	$ (103,201)	$ (349,707)
Net increase (decrease) in cash	(705,447)	281,166
Cash and investments, beginning of year	5,016,222	4,735,056
Cash and investments, end of year	$ 4,310,775	$ 5,016,222

See accompanying notes to financial statements.

Cash and investments are represented by		
Cash	$ 30,745	$ 1,612
Investments	2,780,030	3,514,610
Long term investments	1,500,000	1,500,000
	$ 4,310,775	$ 5,016,222
Included in operating activities above are interest collections as follows:	$ 216,560	$ 207,242

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
NOTES TO FINANCIAL STATEMENTS

March 31, 2000

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809,083.11 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and ultimately under the policy direction of the Minister of Labour.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are presented in accordance with generally accepted accounting principles.

b) Accounting estimates and assumptions

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

c) Inventory

Inventory is valued at cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Capital assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	40 years straight line
Practical training site	20 years straight line
Equipment	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	5 years straight line

The half-rate rule is applied to computer equipment and software additions during the year.

e) Revenue recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 1999 calendar year will be recognized as revenue in the fiscal year ending March 31, 2000. The levy rate is set at 1.25%.

All other revenue is recognized when earned.

3. SHORT TERM INVESTMENTS

The Investment Balance represents funds on deposit with the Department of Finance. The funds are invested in short term notes with maturities not in excess of 365 days.

4. ACCOUNTS RECEIVABLE

The accounts receivable balance includes $709,786 due from the Province of Manitoba which represents $248,072 in estimated unpaid vacation pay and overtime as at March 31, 1999 and $281,714 representing the estimated liability for severance pay (see note 8) as at April 1, 1998 and $180,000 related to emergency medical training.

The accounts receivable balance is made up of the following:

	2000	1999
Insurance Branch of Department of Consumer & Corporate Affairs	$ 871,116	$ 62,977
Province of Manitoba	619,786	529,786
Other	98,452	118,639
	$ 1,589,354	$ 711,402

5. LONG TERM INVESTMENTS

The balance as at March 31, 2000 is comprised of one investment on deposit with the Department of Finance of the Province of Manitoba under the following investment terms:

Amount	Rate	Maturity
1,500,000	6.43%	September 4, 2001

6. PENSION ASSETS

The Office of the Fire Commissioner set aside funds equal to the pension liability as at March 31, 1998 plus an amount equal to all subsequent employee pension contributions. At the end of each fiscal year funds will be transferred to the account in the amount necessary to ensure that the asset account at least equals the pension liability.

These funds are on deposit with the Department of Finance and have been invested in short term notes.

7. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,042,998	$ -	$ -	$ 4,042,998
Training site	1,759,319	7,971	-	1,767,290
Equipment	676,137	180,786	-	856,923
Fire engines	201,005	258,179	-	459,184
Other vehicles	200,600	-	-	200,600
Air compressors	144,786	33,748	-	178,534
Furniture	65,977	3,593	-	69,570
Computers	49,544	61,960	-	111,504
Total cost	$ 7,140,366	$ 546,237	$ -	$ 7,686,603

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Building	$ 352,673	$ -	$ 119,457	$ 472,130
Training site	105,220	-	88,383	193,603
Equipment	291,727	-	114,524	406,251
Fire engines	130,609	-	98,649	229,258
Other vehicles	121,634	-	23,690	145,324
Air compressors	70,656	-	21,576	92,232
Furniture	31,996	-	7,515	39,511
Computers	7,989	-	15,972	23,961
Total amortization	$ 1,112,504	$ -	$ 489,766	$ 1,602,270
Net capital assets	$ 6,027,862			$ 6,084,333

8. SEVERANCE LIABILITY

Effective April 1, 1998, The Office of the Fire Commissioner is recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from The Office of the Fire Commissioner. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by The Office of the Fire Commissioner's employees to March 31, 1998. The severance pay liability balance as at April 1, 1998 of $281,714 was completely offset by a receivable from the Province. There are no terms of repayment for this receivable, and the amount will remain fixed at $281,714.

9. EMPLOYEE PENSION LIABILITY

Employees of the Office of the Fire Commissioner are eligible for pensions in accordance with the provisions of the Civil Service Superannuation Act. In accordance with an agreement with the Province of Manitoba, Special Operating Agencies (SOA's) are only responsible for the pension liability incurred for their employees from the date of designation as an SOA. The methodology for calculating the liability has been determined in conjunction with the Province. The Province accepts responsibility for pension benefits earned prior to the date of designation as an SOA, as well as for any variance resulting from the calculation.

10. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) record the balance of $11,037,936 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, capital assets are amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241,381 as at April 1, 1996.

11. COMMITMENTS AND CONTINGENCIES

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the Lease is five (5) years commencing June 11, 1997 and expiring May 31, 2002 with four (4) five-year renewal options. Minimum annual rent is $10,000 due in equal monthly instalments, plus all operating costs with respect to the subject land.

The Office of the Fire Commissioner has entered into 26 vehicle lease agreements which give rise to commitments as follows:

		March 31
2001	$	147,906
2002		147,022
2003		117,028
2004		83,008
2005		19,229
	$	514,193

At the end of each lease the Office is obligated to pay any shortfall between the net proceeds on vehicle disposition and the agreed residual value.

11. COMMITMENTS AND CONTINGENCIES (continued)

The Office of the Fire Commissioner has been named in three litigations. A fire at the Three Bears Daycare center located in Pinefalls, Manitoba resulted in the death of a child in the care of the daycare. The Province of Manitoba is being sued by the United Church of Canada, owners of the church in which the daycare was located. The Office of the Fire Commissioner has also been named in an action by the Insurer of the St. Anne Hospital in which a fire occurred as a result of inadequate clearance of an emergency generator exhaust pipe. Lastly the Office of the Fire Commissioner has been named in an action by the owner and operator of a residential care facility in Newdale. The facilities license was revoked in response to a fire prevention inspection conducted by The Office of the Fire Commissioner. The outcome of these actions is undeterminable at this time and no provision has been made for the contingent loss. The Office of the Fire Commissioner has liability insurance, with a $5,000 deductible, which we anticipate would cover any adverse settlement should this be the case.

The Office of the Fire Commissioner has been using computer hardware in the desk top management environment since April 1998. The financial statements do not reflect any costs associated with this hardware.

12. YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

13. PUBLIC SECTOR COMPENSATION

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2000, the following employees received compensation of wages and taxable benefits of $50,000 or more (*compensation did not exceed $50,000):

Name	Position	2000	1999
D.M. Popowich	Fire Commissioner	$ 82,766	$ 68,782
K. Swan	Fire Investigator	62,433	62,869
C.R. Sanderson	Deputy Fire Commissioner	64,734	59,849
D.B. Monkman	Fire Investigator	64,984	55,585
R. Gillis	Fire Investigator	67,864	54,153
K.D. Hykaway	Fire & Building Standards Officer	*	52,711
G. Kurdydyk	Fire Investigator	52,090	52,072
A.J. Campbell	Manager Codes & Standards	53,265	51,707
C. Hogarth	Fire Investigator	53,364	50,418
D.R. Beachman	Fire & Building Standards Officer	51,491	*
M.C. Bedford	Emergency Services Officer	53,597	*
B.D. Bryan	Medical Programs Manager	51,905	*
K. Carmichael	Emergency Services Officer	56,359	*
R.C. Denslow	Emergency Services Officer	51,013	*
R.A. Negrich	Emergency Services Officer	51,090	*
K.J. Nero	Comptroller	65,325	*